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## REMARKS

Claims 1 and 67 have been amended. Claims 1-9, 15-35, 67-75, and 81-101 are pending in the application and are presented for reconsideration and further examination in view of the amendment and the following remarks. The claim amendment is supported by, for example, Figures 6, 8, and the corresponding description. No new matter is added by the amendment. Applicant respectfully requests entry of the amendment.

## Claims Rejections under 35 U.S.C. § 102(b)

Independent Claims 1 and 67 were rejected under 35 U.S.C. § 102(e) as being anticipated by Schaeffer, Jr. et al. (US patent application publication no. 2003/0062990). In response, Claims 1 and 67 have been amended.

With respect to the amended independent Claims 1 and 67, Applicant first submits that Schaeffer at least does not disclose or teach a powerline module comprising "a frequency converting module configured to convert a powerline signal of an intermediate frequency, received via a powerline network, into a baseband signal:

an A/D converting module configured to convert the baseband signal into a digital signal; a signal processing module configured to convert the digital signal into a combined signal; and

a powerline magnetics module configured to provide isolation between the powerline network and the frequency converting module, the frequency converting module operating on a substantially lower voltage than the powerline network" as recited in Clams 1 and 67. Schaeffer discloses a system that utilizes existing powerlines as a medium for transporting data. In Schaeffer, a powerline module includes an analog front end 12 and a MAC/PHY 14. The analog front end 12, which contains amplifiers and filters, passes a powerline signal via low pass filters and then amplifies the filtered signal. The MAC/PHY 14 is a processor retrieving data signals from the powerline signal. No further detail is provided as to the structure of the MAC/PHY 14. Nowhere does Schaeffer teach a powerline module as recited in Claims 1 and 67. The applied prior art of record does not cure this deficiency in Schaeffer. Therefore, Claims 1 and 67 are not anticipated by Schaeffer.

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Second, nowhere does Schaeffer describe a housing comprising a powerline module configured to convert a powerline signal received via a powerline network into a combined signal and a receiver module "configured to extract a control signal and an audio signal from the converted combined signal, the receiver module manipulating the audio signal based on the extracted control signal" as recited in amended independent Claims 1 and 67.

The office action cites primarily Figure 6 for disclosing the limitations of Claims 1 and 67. Figure 6 is an illustration of a stereo system 90 that utilizes embedded powerline access portals to distribute audio data. The stereo system 90 has various components such as a receiver. "The stereo system is transmitting audio data to remote speakers 98 and 100." (paragraph [0076]).

Claims 1 and 67 require a housing including a powerline module and a receiver module which, together, convert a powerline signal received via a powerline network into an audio signal and a control signal. The office action interprets the "housing" in Claims 1 and 67 as reading on the housing of the receiver which is a part of the stereo system 90 in Schaeffer. However, the housing of the receiver in Schaeffer does not include a powerline module and a receiver module which, together, convert a powerline signal received via a powerline network into an audio signal and a control signal as required by Claims 1 and 67. The receiver in Schaeffer actually transmits audio data via the powerline network, instead of receiving audio data from the powerline network. The applied prior art of record does not cure this deficiency in Schaeffer. Therefore, Claims 1 and 67 are not anticipated by Schaeffer.

Accordingly for at least these reasons, Claims 1 and 67 are not anticipated by Schaeffer. Therefore, allowance of independent Claims 1 and 67 is respectfully requested.

## Dependent Claims

Dependent Claims 2-9, 15-35, 68-75, and 81-101 depend directly or indirectly from Claims 1 and 67 and, thus, are patentable for at least the same reasons that the claim from which they depend is patentable over the art of record. Therefore, allowance of Claims 1-9, 15-35, 67-75, and 81-101 is respectfully requested.

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## CONCLUSION

For the foregoing reasons, it is respectfully submitted that the rejections set forth in the outstanding Office Action are inapplicable to the present claims. Accordingly, issuance of a Notice of Allowance is earnestly requested.

Any remarks in support of patentability of one claim should not be imputed to any other claim, even if similar terminology is used. Any remarks referring to only a portion of a claim should not be understood to base patentability on solely that portion; rather, patentability must rest on each claim taken as a whole. Applicants have not presented arguments concerning whether the applied references can be properly combined in view of the clearly missing elements noted above, and Applicants reserve the right to later contest whether a proper motivation and suggestion exists to combine these references.

The undersigned has made a good faith effort to respond to all of the noted rejections and to place the claims in condition for immediate allowance. Nevertheless, if any undeveloped issues remain of if an issue requires clarification, the Examiner is respectfully requested to call Applicant's attorney, James Herkenhoff at (619) 687-8663 (direct line), in order to resolve any such issue promptly.

Please charge any additional fees, including any fees for additional extension of time, or credit overpayment to Deposit Account No. 11-1410.

Respectfully submitted,

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Dated: Sept, 11,200)

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